and thriving ''eateries''. And the politicians, for their part, found a further way to draw attention to the supposed advantages of legalised gambling. They could earmark gambling-tax revenues for some of the things voters wanted: for example, by 1991 13 states, including New York and California, had allocated some or all of their lottery receipts to education.

Look at Connecticut. Few states have had more bruising battles over whether to extend casino gambling. But since 1992 Connecticut has been home to America's most successful casino, Foxwoods, which sits on land belonging to the Mashantucket Pequot tribe of Indians. Thanks in part to the fact that 22m people live within 150 miles of Foxwoods, the casino gets around 45,000 visitors a day and makes an estimated daily profit of $1m.

Not surprisingly, other gambling interests have sought a share of the Connecticut pie. In the early 1990s, Steve Wynn, chief executive of the Mirage Corporation, a big casino operator, tried to win casino licenses in Connecticut's state capital, Harford—which has suffered from the decline of the big insurance firms that once dominated its economy—as well as the decrepit town of Bridgeport. Despite generous spending, and his gleaming vision of what gambling would do for the economy, both of Mr. Wynn's attempts failed. Yet casino operators are still seeking other places to expand. A lively debate is going on at present over proposals to legalize casinos in New York, specifically to draw ''the gambling dollar'' away from New Jersey and Connecticut.

HOW THE REALITY DAWNED

The trouble, as some New York legislators are pointing out, is that the supposed casino miracle has two big problems in practice. First, with few exceptions, legalizing gambling has failed to stimulate the expected economic miracle. According to Harrah's Casinos, which publishes an annual survey of the industry, casinos employed 367,000 people in 1995, more than half of them in Nevada. That was a 24% increase since the start of 1994. But the jobs created by the arrival of casinos are too often menial—money-counter, cleaners—and have all too often been cancelled out by the jobs that are lost as the newcomers drive older firms out of business. Moreover, bare statistics that show the growth of gambling jobs ignore the job creation that would have happened in the absence of a casino.

Belatedly, the politicians who welcomed casino gambling for its economic spin-offs have realised that it takes more than a few superficial improvements to revitalise a struggling city centre. Moreover, as more and more casinos have opened, so competition has diminished the amount of business each one can expect. The once-sunny economic projections have faded. In Deadwood, South Dakota, for example, an initial flush of profitability was destroyed by the speedy arrival of dozens of competing casinos, so that bust quickly followed boom.

Second, many places failed to understand that casinos, were more than other forms of gambling such as lotteries, cause what economists call ''negative externalities''. There is a price to pay in the rising cost of such things as law enforcement, street cleaning and (some argue) the extra social services needed when gambling leads to the break-up of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Both these problems were predictable. It was naive to extrapolate from the success of Las Vegas a guaranteed economic stimulus for any city that opened its doors to a casino. Robert Goodman, a professor at Hampshire College in Massachusetts who writes on the economics of the gambling industry, argues compellingly that Las Vegas was a misleading model for the rest of America. To experience the seedy glamour of that city in the desert, most visitors have to come from a long distance away. A trip to gamble therefore becomes a full-scale holiday, complete with a stay in a hotel, visits to local restaurants and no doubt a little shopping thrown in. In Las Vegas, casinos genuinely support the service economy.

Contrast this with, say, Atlantic City in New Jersey. The place is a bus ride away from New York city, and perhaps 30m people live close enough to visit its casinos for a day at a time. Many even cut their own sandwiches at home; they are the ''brown-bag gamblewr''. As is all too evident in the seedy downtown area with its paucity of restaurants, Atlantic City collects relatively few non-gambling dollars.

The contrast is greater still in places such as Joliet, Illinois, or Gary, Indiana. There is little in such cities to attract visitors from any distance away. It is the locals upon whom the casinos have to rely. Earl Grinols, an economic professor at the University of Illinois, points out what this means. Because local people are spending money on gambling that they would otherwise have spent of, say, buying clothes or going out for a meal, many non-casino firms suffer from reduced turnover and profits. This not only limits the number of people they employ; it also means that they pay proportionately less tax to local and state governments.

Similarly, many of the people employed by a casino live outside the city where the casino is sited—and spend their money outside it, too. Nearly 60% of the staff of Joiliet's casino live outside the city, and half of those outside the country. This does not mean that nobody benefits. In Joliet, nine people paid some $7m for the town's casino franchise. Their investment paid for itself in six months, and each now collects a monthly dividend of some $900,000.

At last, it has started to dawn on the rest of the city's people that the economic benefit from a casino depends largely on where it is. Add the fact that, the more casinos there are, the smaller the share of America's gamblers any one of them will be able to attract, and it is plain how the dreams have been punctured. Even the gambling industry, which used to boast of the market's almost infinite potential, has become more circumspect. Casino firms have begun to consolidate as stronger competitors buy weaker ones. And industry analysts say that these days the growth prospects of many ''gaming'' firms come more from non-gambling sidelines (such as food, shops and shows featuring well-known crooners) than from gambling itself.

THE PRICE OF GAMBLING

As casinos have failed in many cases to revive local economies, so something else has happened. The old moral doubts about gambling, which were swept under the carpet when it seemed to offer a key to success, have resurfaced. In the process, whatever respectability gambling had recently acquired has been eroded.

Gambling-related social costs are extremely difficult to quantify. Nevada has the highest suicide rate in America; it also has among the highest number of accidents per mile driven, and deplorable crime and high-school drop-out rates. New Mexico, however, which is almost free of casinos, can rank alongside Nevada on all these counts. A causal link between gambling and these indicators is hard to prove. But it is becoming easier to establish that damage is done by gambling in general and by casinos in particular, largely because they contain slot machines, which are highly addictive.

Perhaps one-third of adult Americans never gamble, reckons Mr. Grinols. Many people who do are cautious. But a small percentage, perhaps 2% or 4% of America's adult population, are ''problem'' or ''pathological'' gamblers, and these account for a disproportionately large share of the activity's costs. One study in Minnesota found that 10% of bettors accounted for 80% of all money wagered.

Their numbers may be small; but their impact is not. Problem gamblers have a high propensity to commit crimes, in particular forgery, theft, embezzlement and fraud. These crimes affect both immediate family and colleagues at work. The American Insurance Institute estimates that 40% of white-collar crime has its roots in gambling. Gamblers often descend in a spiral of increasingly desperate measure to finance their habit in the hope of recouping their losses. Further, even before they turn to crime, problem gamblers are unproductive employees, frequently absent or late and usually distracted. A 1990 study in Maryland estimated that the state's 50,000 problem gamblers accounted for $1.5 billion in lost productivity, unpaid state taxes, money embezzled and other losses.

All taxpayers contribute towards the cost of policing, judging and incarcerating criminals. Casino gambling increases those costs. Since the Foxwoods casino opened in 1992, one police chief in a small Massachusetts town two hours' drive away reckons that local crime related to the casino has cost some $400,000. Multiply that figure by thousands, and the national impact of casino gambling begins to emerge.

Are casinos alone to blame? After all, gambling in America extends far beyond crap tables and slot machines. State governments themselves encourage gambling by spending millions to advertise lottery jackpots on television. But not all forms of gambling are equal: in Minnesota, for instance, two-thirds of people seeking help for their gambling problems blamed casinos for their addiction. A mere 5% cited lotteries.

The casino industry itself acknowledges its role in the problem. The American Gambling Association helps to finance a national Centre for Problem Gambling. Several firms promote programmes designed to help gamblers kick their addiction, and most casinos post free telephone numbers where people can find help. Gambling interests have also suggested that tax revenues from casinos could be used to pay for treatment for recovering gamblers. But even on conservative measures (reached by assuming that the average casino visitor loses $200 annually), problem gamblers would account for three-eights of casinos' revenues. How badly does the industry want to cure them?

All this is potent evidence that casinos are a bad bet. But even if the effects of problem gambling are discounted, the fact remains that casinos are not a development tool, either. The risk—which everyone was aware of at the outset—is not paying off. Without resorting to moralising, and even without mentioning organised crime, those who would clamp down on gambling can now make a formidable economic case.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLF) to revise and extend their remarks and include extraneous material:)

Mr. PAPPAS, for 5 minutes, on February 12.

Mr. SAXTON, for 5 minutes, today and on February 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RANGEL) and to include extraneous material:)

Mr. RANGEL.

Mr. FRANK of Massachusetts.

Mr. LANTOS.

Mr. CLAY.

Mr. TRAFICANT.

Mr. POSHARD.

(The following Members (at the request of Mr. WOLF) and to include extraneous material:)

Mr. THOMAS.

Mr. PETRI.

Mr. WELDON of Pennsylvania.

Mr. GILMAN.

Mr. RILEY.

Mr. BILBRAY.

Mr. LATOURETTE.

(The following Members (at the request of Mr. WOLF) and to include extraneous material:)

Mr. GALLEGLY in two instances.

Mr. WELDON of Florida.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 1 minute p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, February 11, 1997, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1670. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Importation of Fresh Hass Avocado Fruit Grown in Michoacan, Mexico [Docket No. 94–116–5] (RIN: 0579–AA84) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1671. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Ports Designated for the Exportation of Animals; Georgia [Docket No. 96–054–2] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1672. A letter from the Administrator, Farm Service Agency, transmitting the Agency's final rule—Tobacco-Tobacco Loan Program, Importer Assessments (Commodity Credit Corporation) (RIN: 0560–AD93) received February 6, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1673. A letter from the Administrator, Food and Consumer Service, transmitting the Service's ''Major'' final rule—Child and Adult Care Food Program Improved Targeting of Day Care Home Reimbursements; Correction and Extension of Comment Period (RIN: 0584–AC42) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1674. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of January 1, 1997, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 105–42); to the Committee on Appropriations and ordered to be printed.

1675. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Application of Berry Amendment [DFARS Case 96–D333] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

1676. A letter from the Secretary of the Treasury, transmitting a copy of the final report as required by the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104–6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

1677. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Regulation H, Expanded Examination Cycle for Certain Small Insured Institutions [Docket No. R–0957] received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1678. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Public Housing Management Assessment Program [Docket No. FR–3447–1–03] (RIN: 2577–AA89) received February 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1679. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Fiscal Year 1997 Portfolio Reengineering Demonstration Program Guidelines [Docket No. FR–4162–N–01] received February 3, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1680. A letter from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Flood Insurance Requirements (RIN: 2900–AH63) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1681. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Algeria, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

1682. A letter from the Director of the Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Forms, Instructions, and Reports (RIN: 3064–AB89) received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1683. A letter from the Federal Register Liaison Officer, Office of Thrift Supervision, transmitting the Office's final rule—Expanded Examination Cycle for Certain Small Insured Institutions [Docket No. 96–114] (RIN: 1550–AB02) received February 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1684. A letter from the Secretary of Education, transmitting final regulations—The State Vocational Rehabilitation Services Program, pursuant to 20 U.S.C. 1232(f) GEPA Sec. 437(f); to the Committee on Education and the Workforce.

1685. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the Disability and Rehabilitation Research Projects and Centers Program, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

1686. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the State Vocational Rehabilitation Services Program, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

1687. A letter from the Acting Assistant Secretary of Labor for OSHA, Occupational Safety and Health Administration, transmitting the Administration's final rule—Reporting Occupational Injury and Illness Data to OSHA [Docket No. R–02] (RIN: 1218–AB24) received February 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1688. A communication from the President of the United States, transmitting a copy of Presidential Determination No. 96–54: Exempting the United States Air Force's operating location near Groom Lake, Nevada, from any Federal, State, interstate, or local hazardous or solid waste laws that might require the disclosure of classified information concerning that operating location to unauthorized persons, pursuant to 42 U.S.C. 6961; to the Committee on Commerce.

1689. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Substituted Cyclohexyldiamino Ethyl Esters; Revocation of a Significant New Use Rule [OPPTS–50598B; FRL–5580–5] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1690. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL154–1a; FRL–5685–7] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1691. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL153–1a; FRL–5685–1] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1692. A letter from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions: Correction of Tables Treatment Standards for Hazardous Wastes and Universal Treatment Standards [FRL–5681–4] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1693. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Parts 74, 78, 101 of the Commission's Rules to Adopt More Flexible Standards for Directional Microwave Antennas [ET Docket No. 96–35] received February 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1694. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 402(b)(1)(A) of the Telecommunications Act of 1996 [CC Docket No.